



Government of
Saskatchewan

Annual Report 1986-87

**Saskatchewan
Consumer and
Commercial
Affairs**

**Provincial Mediation
Board and
Office of the
Rentalsman**

88-03475/

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Letters of Transmittal

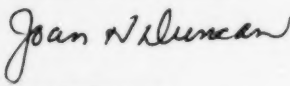
May 25, 1987.

To His Honour,
The Honourable Frederick W. Johnson,
Lieutenant Governor of the Province of Saskatchewan.

Sir:

I have the honour to submit herewith the Annual Report of the
Provincial Mediation Board and the Office of the Rentalsman for the
fiscal year ended March 31, 1987.

Respectfully submitted,



Joan H. Duncan,
Minister,
Saskatchewan Consumer and Commercial Affairs.



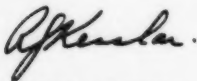
May 25, 1987.

To the Honourable Joan H. Duncan,
Minister,
Saskatchewan Consumer and Commercial Affairs.

Madam:

I have the honour to present the Annual Report of the Provincial
Mediation Board and the Office of the Rentalsman for the fiscal year
ended March 31, 1987.

Respectfully submitted,



Ronald J. Kessler,
Deputy Minister,
Saskatchewan Consumer and Commercial Affairs.



Provincial Mediation Board/Office of the Rentalsman

Under the *Provincial Mediation Board Act*, the Board assists debtors and creditors in mediating disputes and reaching satisfactory settlements for payment of indebtedness without the necessity of legal proceedings.

An agreement reached through the Board may alter, modify or rescind any mortgage, contract or agreement previously existing between the parties concerned. Any debtor or creditor may apply to the Board for assistance in arranging settlement of a debt or for consolidation of debts.

Office of the Rentalsman

Under the *Residential Tenancies Act*, the Office of the Rentalsman administers those provisions of the Act which give the Rentalsman authority to make rulings on the following: disposition of abandoned property; arrears in rent; claims for compensation and damages; possession of premises; and disputes over statutory conditions which set out the obligations of landlord and tenant and which form part of every tenancy agreement. The Provincial Mediation Board administers the provisions regarding rent increases and security deposits.

Applications made by tenants and landlords in the areas of landlord/tenant relations and security deposits increased significantly during the year.

During the year under review, the agreement between the Office of the Rentalsman and Social Services was refined to allow Social Services to pay rent arrears for tenants before an Order of Possession is issued by the Rentalsman. Ongoing communications should provide an additional safety net for clients on social assistance.

To provide additional information for tenants and landlords, a four page question and answer sheet was developed. It featured the answers to the twenty-two most commonly asked questions which came to the Office of the Rentalsman investigators. This piece was sent out separately and as part of a larger kit entitled *Information for Tenants and Landlords*.

The Rent Stabilization Program

The Rent Stabilization Program was introduced in December, 1983 to protect tenants from unreasonable rent increases. The Program also provides an opportunity for tenants and landlords to come to mutual agreement about rent increases without the necessity of government involvement.

The Program covers most rental units four years old or more in Saskatchewan cities and towns with populations of more than 2,000. Under the Program, tenants who receive a notice of rent increase have 30 days to ask for a review if they disagree with the

amount of the rent increase. If the tenant does not request a review within 30 days, the rent increases will take effect at the end of the notice period. The number of tenant applications for rent review continues to decrease. Rent increases averaged just over 4% for the year.

Security Deposits

A landlord wishing to retain all or a portion of a security deposit, must apply to the Provincial Mediation Board if the tenant objects to the amount. The application is filed and the full amount of the security deposit, plus interest, is held in trust until a decision is made. An inspection may be made of the premises and contact with both parties will take place if at all possible.

The Landlord and Tenant Act

The Act applies to landlord/tenant relations outside of **The Residential Tenancies Act**. If a tenant objects to repossession by the landlord, he/she may apply to the Provincial Mediation Board for a prohibition order. Under certain circumstances, the Board can prevent eviction for a stated period, where "serious hardship" exists, by filing a prohibition order with the Court or the Sheriff. In farm cases, such an order would apply only to the buildings and the adjoining two acres.

Debt Management and Credit Counselling

Under Part X (Orderly Payment of Debts) of the federal **Bankruptcy Act**, and Section 6 of *The Provincial Mediation Board Act*, the Board is able to assist any debtor or creditor in arranging settlement of a debt or consolidation of debts, thus providing a practical alternative to bankruptcy. Services include the issuing of a "Consolidation Order" under the *Bankruptcy Act* or a voluntary agreement under *The Provincial Mediation Board Act* to arrange for affordable repayment contracts.

There are both long term and short term arrangements made with creditors on behalf of debtors, depending on the circumstances. Credit counselling is an essential part of debt management and this part of the program provides preventative and rehabilitative services to debtors in the form of self-help information and confidential counselling. In addition, staff presented seminars on the Board's role in debt management and credit counselling. The program also provided some general assistance in sound management of money and credit.

Debt management and credit counselling services are located in Regina and Saskatoon and provided throughout the province.

Other Legislation Administered by the Board

The following Acts are administered in part:

The Agricultural Leaseholds Act

The Farm Security Act

The Land Contracts (Actions) Act

The Tax Enforcement Act

The Limitation of Civil Rights Act

The Board also administers the section of **The Land Titles Act** which deals with the power to lease mortgaged land.

The Agricultural Leaseholds Act

The Provincial Mediation Board may settle a disagreement between a landlord and tenant for re-entry by a tenant to complete the harvest or remove harvested crops from the property formerly leased to the tenant. If the crop grown by a tenant has not been harvested within the time limit provided in the Act, an order may appoint the landlord or some other person to complete and remove the harvest and give directions to dispose of and account for the crop or proceeds of any sale.

The Limitation of Civil Rights Act

Court officials tell the Board whenever an appointment is granted upon an application of a farmer under **The Limitation of Civil Rights Act** for a hearing with respect to a creditor giving notice of intention to repossess farm machinery. In these cases, the farmer receives notice from the farm implement company of intention to repossess after thirty days. He or she may, within a specified time, make application to the Court registrar in the judicial centre in which he or she resides, for a hearing before a judge. At the farmer's request the Board will mediate the dispute.

The Farm Security Act

Upon application, the Provincial Mediation Board may settle any disagreement over the amount of crop to be delivered for payment of an agreement for sale or mortgage on land in any year. The Board may also decide whether the crop grown is a "crop failure." On application of a lender and after investigation, the Board may order to exclude those provisions of **The Farm Security Act** which protect the homestead against mortgage foreclosure.

The Land Contracts (Actions) Act

When an action is to be commenced for foreclosure of a mortgage on land or the cancellation of an agreement for sale, the plaintiff must serve the Board with a thirty day "Notice of Intention" before making application to the Court for a hearing before a judge. The proposed defendant is notified of the intended proceedings and is

given an opportunity to arrange settlement with the assistance of the Board.

The Tax Enforcement Act

Under the Act, a municipal authority must contact the Provincial Mediation Board and obtain the Board's consent before any action may be taken to acquire title to land by tax sale.

Regional Offices

The Saskatoon regional office provided programs and services in the following areas:

- debt management, credit counselling and mediation (Provincial Mediation Board)
- landlord and tenant matters (Provincial Mediation Board/Office of the Rentalsman)

The Prince Albert regional office provided programs and services in regard to:

- landlord and tenant matters (Provincial Mediation Board/Office of the Rentalsman)

1871 Smith Street
Regina S4P 3V7
Telephone: 787-2699

224-4th Avenue South
Saskatoon S7K 2H6
Telephone: 933-5680

800 Central Avenue
Prince Albert S6V 6Z2
Telephone: 953-2211

Statistical Summary

Area of Activity	1984-85	1985-86	1986-87
The Residential Tenancies Act			
Landlord and Tenant Relations *			
Applications Received	3,539	4,307	4,906
Security Deposits			
Applications Received	1,852	2,335	2,667
Rent Review			
Applications Received	—	—	—
Rent Stabilization	1,181	807	652
Total Applications Received	6,572	7,449	8,225
Debt Management and Credit Counselling			
Debt Arrangements (Orderly Payment of Debt- Part X Bankruptcy Act) and Mediation of Debt (Prov. Med. Board Act Section 6) (Long term)	464	398	322
Budgeting and Credit Counselling (New, short term)	195	197	303
Total	659	595	625
Budgeting Assistance and Client Interviews	1,170	1,296	1,235
Provincial Mediation Board Applications:			
The Land Contracts (Actions Act)	1,421	1,184	1,030
The Tax Enforcement Act	330	406	553
Provincial Mediation Board - Orders Issued:			
The Agricultural Leaseholds Act	—	1	—
The Land Titles Act	—	1	1
The Farm Security Act	93	254	372
The Tax Enforcement Act	37	57	67
The Rural Municipalities Act	30	—	—
The Landlord and Tenant Act	3	4	2
Total Applications and Orders Issued	1,914	1,907	2,025
Writs Received from Court of Queen's Bench	7,767	7,515	7,108

* Includes such matters as:

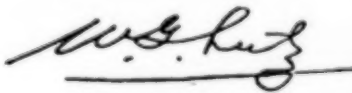
- Disposition of Abandoned Property
- Arrears in Rent
- Claims for Compensation & Damages
- Possession of Premises
- Contravention of Statutory Conditions

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the statement of financial position of the Provincial Mediation Board Trust Account as at March 31, 1987, and the statement of changes in trust account balances for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Provincial Mediation Board Trust Account as at March 31, 1987, and the results of its transactions and the changes in the financial position for the year then ended in accordance with the accounting principles disclosed in note 2 to the financial statements applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan
June 26, 1987

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement 1 The Provincial Mediation Board Trust Account Statement of Financial Position As at March 31, 1987

Assets	1987	1986
Cash	\$199,488	\$181,591
	<u>\$199,488</u>	<u>\$181,591</u>
Liabilities		
Interest payable to Consolidated Fund	\$ 11	\$ —
Trust Account Balances (Statement 2)		
Orderly payment of debt program	70,542	50,439
Mediation of debt program	38,532	18,944
Tax enforcement proceedings	1,775	31,103
The Residential Tenancies Act		
— Security deposits	88,628	81,105
	<u>\$199,488</u>	<u>\$181,591</u>

(See accompanying notes to the financial statements)

Statement 2
The Provincial Mediation Board Trust Account
Statement of Changes in Trust Account Balances
For the Year Ended March 31, 1987

Orderly Payment of Debt Program

	1987	1986
Receipts from clients	\$421,169	\$ 333,826
Payments to creditors	401,066	327,056
Increase (decrease) in Trust Account	20,103	6,770
Balance, beginning of year	50,439	43,669
Balance, end of year to Statement 1	<u>\$ 70,542</u>	<u>\$ 50,439</u>

Mediation of Debt Arrangement

Receipts from clients	\$267,022	\$ 209,054
Payments to creditors	247,434	200,825
Increase (decrease) in Trust Account	19,588	8,229
Balance, beginning of year	18,944	10,715
Balance, end of year to Statement 1	<u>\$ 38,532</u>	<u>\$ 18,944</u>

Land Contracts

Receipts from mortgagors	\$ 20,335	\$ 33,746
Payments to mortgages	20,335	35,244
Increase (decrease) in Trust Account	—	(1,498)
Balance, beginning of year	—	1,498
Balance, end of year to Statement 1	<u>\$ —</u>	<u>\$ —</u>

Tax Enforcement proceedings

Receipts from property owners	\$494,200	\$1,411,688
Payments to municipalities	523,528	1,383,085
Increase (decrease) in Trust Account	(29,328)	26,603
Balance, beginning of year	31,103	2,500
Balance, end of year to Statement 1	<u>\$ 1,775</u>	<u>\$ 31,103</u>

The Residential Tenancies Act - Security Deposits

Receipts from landlords	\$351,517	\$ 312,209
Payments to landlord and/or tenants	343,994	297,290
Increase (decrease) in Trust Account	7,523	14,919
Balance, beginning of year	81,105	66,186
Balance, end of year to Statement 1	<u>\$ 88,628</u>	<u>\$ 81,105</u>

The Provincial Mediation Board Trust Accounts

Notes to Financial Statements

March 31, 1987

1. Legislative Authority

The Trust Account was established for the purpose of receiving and disbursing monies for persons who have entered into negotiations for the settlement of debts, either through *The Provincial Mediation Board Act* or through the Orderly Payments of Debts Provisions. The security deposits received by the Board pursuant to the provision of *The Residential Tenancies Act* are also administered through this Trust Account. Monies received under Section 47 of *The Residential Tenancies Act* are also administered through the Provincial Mediation Board Trust Account but are reported upon separately.

2. Accounting Policies

These financial statements are prepared on a cash basis.

Interest earned on trust funds is paid to the Consolidated Fund by the bank directly on a monthly basis. Accordingly, the receipts and payments of interest are not shown in the statement of changes in trust accounts.

In accordance with established government practice, the Trust Account has not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Department of Consumer and Commercial Affairs from monies appropriated by the Legislature for such purposes.

3. Comparative Figures

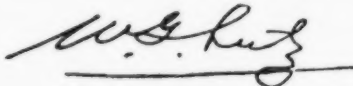
For comparative purposes, certain 1986 balances have been reclassified to conform with the current year's presentation.

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the statement of financial position of the Office of the Rentalsman — Trust Account as at March 31, 1987, and statement of changes in trust account balance for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Trust Account as at March 31, 1987, and the results of its transactions and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 2 to the financial statements applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan
June 26, 1987

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement 1 The Provincial Mediation Board Office of the Rentalsman — Trust Account Statement of Financial Position As at March 31, 1987

Assets	1987	1986
Cash	\$462	\$75
	<u>\$462</u>	<u>\$75</u>
Liabilities		
Trust Account Balances (Statement 2)		
Ruling on dispute	\$462	\$75
	<u>\$462</u>	<u>\$75</u>

(See accompanying notes to the financial statements)

Statement 2
The Provincial Mediation Board
Office of the Rentalsman — Trust Account Balances
Statement of Changes in Trust Account Balance
For the Year Ended March 31, 1987

Ruling on Dispute	1987	1986
Receipts from landlord or tenant	\$1,931	\$934
Payments to landlord or tenant	1,544	873
Increase (decrease) in Trust Account	387	61
Balance, beginning of year	75	14
Balance, end of year to Statement 1	<u>\$ 462</u>	<u>\$ 75</u>

(See accompanying notes to the financial statements)

The Provincial Mediation Board
Office of the Rentalsman — Trust Account
Notes to Financial Statements
March 31, 1987

1. Legislative Authority

Pursuant to provisions of *The Residential Tenancies Act*, the Office of the Rentalsman — Trust Account was established for the purpose of receiving and disbursing monies, under section 47 of *The Residential Tenancies Act*. For administrative reasons these trust monies are administered through the Provincial Mediation Board Trust Account but are reported separately for purposes of Section 69 of *The Residential Tenancies Act*.

2. Accounting Policies

These financial statements are prepared on a cash basis.

Interest earned on the trust funds is paid to the Consolidated Fund directly by the bank on a monthly basis. Accordingly, the receipts and payments of interest are not shown in the statement of changes in trust account.

In accordance with established government practice, the Trust Account has not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Department of Consumer and Commercial Affairs from monies appropriated by the Legislature for such purposes.

3. Comparative Figures

For comparative purposes, certain 1986 balances have been reclassified to conform with the current year's presentation.